



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 947 069 802
Organisasjonsform: Aksjeselskap
Foretaksnavn: PIPETECH INTERNATIONAL AS
Forretningsadresse: Koppholen 25
4313 SANDNES

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: DELOITTE AS
Dato for fastsettelse av årsregnskapet: 28.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.09.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		14 928 224	47 497 388
Sum inntekter		14 928 224	47 497 388
Kostnader			
Varekostnad		3 838 347	19 815 735
Lønnskostnad	2, 3, 4	9 957 545	11 359 006
Avskrivning av driftsmidler og immaterielle eiendeler	8, 9	2 546 114	2 554 476
Annen driftskostnad	2	5 292 067	5 007 712
Sum kostnader		21 634 073	38 736 929
Driftsresultat		-6 705 849	8 760 459
Finansinntekter og finanskostnader			
Annen renteinntekt		-2 856	-843
Sum finansinntekter		-2 856	-843
Annen rentekostnad		163 513	188 741
Annen finanskostnad		-8 454	344 732
Sum finanskostnader		155 059	533 473
Netto finans		-157 915	-534 316
Ordinært resultat før skattekostnad		-6 863 764	8 226 143
Skattekostnad på ordinært resultat	13	-1 509 808	1 809 752
Ordinært resultat etter skattekostnad		-5 353 956	6 416 391
Årsresultat		-5 353 956	6 416 391
Årsresultat etter minoritetsinteresser		-5 353 956	6 416 391
Totalresultat		-5 353 956	6 416 391
Overføringer og disponeringer			
Ordinært utbytte	6		



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Avsatt til annen egenkapital	6	-5 353 956	6 416 391
Sum overføringer og disponeringer		-5 353 956	6 416 391



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	8	140 257	147 373
Utsatt skattefordel		280 478	6 852
Sum immaterielle eiendeler		420 734	154 225
Varige driftsmidler			
Maskiner og anlegg	9	3 881 340	5 780 385
Driftsløsøre, inventar o.a. utstyr	9		7 195
Sum varige driftsmidler		3 881 341	5 787 579
Finansielle anleggsmidler			
Investering i datterselskap	7	200	200
Lån til foretak i samme konsern	10, 12		
Sum finansielle anleggsmidler		200	200
Sum anleggsmidler		4 302 275	5 942 004
Omløpsmidler			
Varer			
Sum varer		2 450 638	1 906 140
Fordringer			
Kundefordringer		20 879 619	14 347 827
Andre kortsiktige fordringer		1 949 627	3 384 476
Sum fordringer		22 829 246	17 732 303
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.	15	1 055 576	3 599 531
Sum bankinnskudd, kontanter og lignende		1 055 576	3 599 531
Sum omløpsmidler		26 335 460	23 237 975
SUM EIENDELER		30 637 735	29 179 979



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	5, 6	4 587 957	4 587 957
Beholdning av egne aksjer	5, 6		
Overkurs	6		
Sum innskutt egenkapital		4 587 957	4 587 957
Opptjent egenkapital			
Annen egenkapital	6	2 800 119	3 771 248
Sum opptjent egenkapital		2 800 119	3 771 248
Sum egenkapital		7 388 075	8 359 205
Gjeld			
Langsiktig gjeld			
Utsatt skatt	13		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11, 14	86 660	158 508
Sum annen langsiktig gjeld		86 660	158 508
Sum langsiktig gjeld		86 660	158 508
Kortsiktig gjeld			
Leverandørgjeld	12	859 883	771 649
Betalbar skatt	13		
Skyldig offentlige avgifter		980 416	1 728 928
Utbytte	6		
Annen kortsiktig gjeld		21 322 700	18 161 688
Sum kortsiktig gjeld		23 162 999	20 662 266
Sum gjeld		23 249 660	20 820 774
SUM EGENKAPITAL OG GJELD		30 637 735	29 179 979



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 898406

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: PIPETECH INTERNATIONAL AS
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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

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Bekreftet av representant for selskapet: DELOITTE AS
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Brønnøysundregistrene, 20.11.2021



Organisasjonsnr: 947 069 802
PIPETECH INTERNATIONAL AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
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Organisasjonsnr: 947 069 802
PIPETECH INTERNATIONAL AS

BALANSE

Beløp i: NOK

Note	2020	2019
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BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

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Lån til foretak i samme konsern	10, 12		
Sum finansielle anleggsmidler		200	200

Sum anleggsmidler		4 302 275	5 942 004
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Omløpsmidler

Varer

Sum varer		2 450 638	1 906 140
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Fordringer

Kundefordringer		20 879 619	14 347 827
Andre kortsiktige fordringer		1 949 627	3 384 476
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SUM EIENDELER		30 637 735	29 179 979
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Aksjekapital	5, 6	4 587 957	4 587 957
Beholdning av egne aksjer	5, 6		
Overkurs	6		
Sum innskutt egenkapital		4 587 957	4 587 957
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Organisasjonsnr: 947 069 802
PIPETECH INTERNATIONAL AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
9.00



Deloitte AS
Strandavegen 15
NO-6905 Florø
Norway

Tel: +47 23 27 90 00
www.deloitte.no

To the General Meeting of Pipetech International AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pipetech International AS showing a loss of NOK 5 353 956. The financial statements comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282



Deloitte.

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Independent Auditor's Report -
Pipetech International AS

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (*ISAE*) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Florø, 28 June 2021
Deloitte AS

Rune Norstrand Olsen
State Authorised Public Accountant (Norway)



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 14.03.2016	Vår dato 17.03.2016
Telefon 977 59 464	Deres referanse Magnus Flønning	Vår referanse 2016/233545

KPMG AS
Postboks 57
4064 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Pipetech International AS, org.nr. 947 069 802

- Vi viser til deres brev av 14. mars 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Pipetech International AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Pipetech International AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Pipetech International AS er et heleid datterselskap av Pipetech Acquisition Limited (Storbritannia). All intern regnskapsrapportering foregår på engelsk. Majoriteten av styrets medlemmer er ikke norskspråklige og årsregnskap og årsberetning må derfor oversettes til engelsk i forbindelse med styrebehandlingen. Det er vanlig i bransjen Pipetech International AS driver i, både blant kunder, leverandører og andre forretningspartnere, at forretningspråket er engelsk.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eid av et utenlandsk selskap. Eierkretsen er begrenset. Selskapets styre består hovedsakelig av personer som ikke er norskspråklige. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Financial Statements

Pipetech International AS

For the year ended
31 December 2020





Pipetech International AS
Profit and Loss Account
Year ended 31 December 2020

	Note	2020	2019
Revenue		<u>14 928 224</u>	<u>47 497 388</u>
Operating Income		<u>14 928 224</u>	<u>47 497 388</u>
Raw materials and consumables		3 858 188	19 815 735
Payroll expenses	10	9 957 545	11 359 006
Depreciation and amortisation expense	3	2 526 273	2 554 476
Other operating expense		<u>5 292 067</u>	<u>5 007 712</u>
Operating expenses		<u>21 634 073</u>	<u>38 736 929</u>
Operating (Loss)/Profit		<u>(6 705 849)</u>	<u>8 760 459</u>
Other interest income	11	(2 856)	(843)
Other financial income	11	-	-
Other interest expense	11	(163 513)	(188 741)
Other financial expense	11	8 454	(344 732)
Operating result before tax		<u>(6 863 764)</u>	<u>8 226 143</u>
Tax on profit on ordinary activities	9	1 509 808	(1 809 749)
Annual net (loss)/profit		<u>(5 353 956)</u>	<u>6 416 394</u>
Appropriation of profit/allocation of loss:			
Dividend		-	-
From other equity		971 129	6 416 394
Group contribution		<u>4 382 827</u>	<u>(7 133 317)</u>
Total appropriation		<u>5 353 956</u>	<u>(716 923)</u>



Pipetech International AS
Balance Sheet
Year ended 31 December 2020

	Note	2020	2019
ASSETS			
Non-current assets			
Research and development	3	140,257	147,373
Deferred tax asset	9	280,478	6,852
Total non-current assets		<u>420,735</u>	<u>154,225</u>
Tangible fixed assets			
Machinery	3	3,881,340	5,780,385
Equipment and other moveables	3	0	7,195
		<u>3,881,341</u>	<u>5,787,579</u>
Financial fixed assets			
Investment in subsidiary	4	200	200
		<u>200</u>	<u>200</u>
Total non-current assets		<u>4,302,275</u>	<u>5,942,004</u>
Current assets			
Stocks	12	2,450,638	1,906,140
Debtors			
Accounts receivable	13	1,714,455	92,716
Group receivables	5	19,165,164	14,255,111
Tax receivables	9	-	-
Other receivables	13	1,949,627	3,384,476
		<u>22,829,246</u>	<u>17,732,303</u>
Cash and bank deposits	7	<u>1,055,576</u>	<u>3,599,531</u>
Total current assets		<u>26,335,460</u>	<u>23,237,975</u>
TOTAL ASSETS		<u>30,637,735</u>	<u>29,179,979</u>



Pipetech International AS
Balance Sheet
Year ended 31 December 2020

	Note	2020	2019
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital	8	2,600,878	2,600,878
Share premium		<u>1,987,078</u>	<u>1,987,078</u>
Total restricted equity		<u>4,587,957</u>	<u>4,587,956</u>
Retained earnings			
Other equity		<u>2,800,119</u>	<u>3,771,248</u>
Total retained earnings		<u>2,800,119</u>	<u>3,771,248</u>
Total equity	2	<u>7,388,075</u>	<u>8,359,204</u>
LIABILITIES			
Provisions			
Deferred tax	9	<u>0</u>	<u>0</u>
Total provisions		<u>0</u>	<u>0</u>
Other long term liabilities			
Liabilities to financial institutions	6	<u>86,660</u>	<u>158,508</u>
Total other long term liabilities		<u>86,660</u>	<u>158,508</u>
Current liabilities			
Trade creditors		859,883	771,649
Group payables	5	17,840,774	14,746,232
Tax payable	9	-	-
Public duties payable		980,416	1,728,928
Dividends		-	-
Other short term liabilities		<u>3,481,926</u>	<u>3,415,455</u>
Total short term liabilities		<u>23,162,999</u>	<u>20,662,265</u>
Total liabilities		<u>23,249,660</u>	<u>20,820,774</u>
TOTAL EQUITY AND LIABILITIES		<u>30,637,735</u>	<u>29,179,978</u>

Stavanger, 28 June 2021
The board of Pipetech International AS

Russel Timothy Davies
Chairman of the board

Stephen Allan Dempster
Member of the board

Frank Andersen
General Manager



Pipetech International AS
Notes to the financial statements
Year ended 31 December 2020

1) Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles for small companies are applied.

The preparation of financial statements is in compliance with the accounting Act, which requires the use of estimates. The application of the company's accounting principles also require management to apply judgements. Areas which normally contain such judgements, a high degree of complexity, or areas in which judgements and estimates are significant for the financial statements, are described in the notes.

The financial statements have been prepared on a going concern basis, which the directors consider appropriate for the reasons set out below. In making their assessment of going concern, the directors have considered a period of at least 12 months from the date of approval of these financial statements ('the forecast period').

The emergence of the highly contagious Covid-19 virus was accompanied by significant restrictions on the movement of and contact between people in countries throughout the world. The effect on the company's operations has been twofold:

- i) Operating methodologies have had to be modified to ensure safe social distancing is in place. The company adopted rotational working with personnel partly working from home and suitable PPE has been required whilst at the company premises.
- ii) Clients have been forced to limit the number of personnel at their premises, both offshore and onshore. This has led to very significant disruption to planned work and the deferment of non-essential work scopes.

The impact on the company's financial performance has been significant, with revenue being significantly below expectations and the knock-on effect on profitability.

The company will continue to observe precautions to allow it to operate effectively within the framework of any on-going government restrictions, seeking to minimise disruption to company operations wherever possible. However, during the first half of 2020, vaccination programs have been rolled out in Norway which it is hoped will allow the relaxation of restrictions affecting the company's operations. The directors are optimistic that activity levels will increase over the second half of 2020 and beyond as client operations return to more normal levels.

Revenue recognition

Revenue from sales of goods is recognised at the time of delivery. Revenue from the sales of services is recognised when the services are executed. The share of sales revenue associated with future service is recorded in the balance sheet as deferred sales revenue, and is recognised as revenue at the time of execution.

Valuation and classification of assets and liabilities

Assets intended for long term ownership or use have been classified as fixed assets. Assets expected to be realised in, or which are intended for sale or consumption in, the entity's normal operating cycle have been classified as current assets. Receivables are classified as current assets if they are expected to be realised within twelve months after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate on the transaction date.



Pipetech International AS
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Year ended 31 December 2020

Fixed assets

Land is not depreciated. Other fixed assets are recognised in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight line basis. If changes in the depreciation plan occur the effect is allocated over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the higher fair value less cost to sell and the recoverable amount. Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the writedown are no longer present.

Intangible assets

Intangible assets bought separately, are recognised in the balance sheet at acquisition cost.

Intangible assets are depreciated to its residual-value if the expected financial benefits do not cover the carrying value and any remaining production costs.

Shares in subsidiaries

Investments in subsidiaries are recognised in the balance sheet at acquisition cost. The investments are amortised to fair value if the impairment is not considered temporary and it is deemed necessary for good accounting practice. Dividends and group contributions from subsidiaries are recognised as other financial income. The company does not prepare consolidated accounts in accordance with the Norwegian Accounting Act of 1998 § 3-2 (4)

Trade and other receivables

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debt provision is made on the basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring, postponements and insufficient payments, are considered indicators that the debtor should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a write down is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued in the same way as trade debtors.

1) Accounting policies

Inventories

Inventories are recognised at the lower of cost in accordance with the FIFO method and net realisable value. Fair value is estimated as sales costs less expenses for completion and sale.

Pensions

Defined contribution plan

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for the tax purposes at the year end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Foreign currencies

Receivables and liabilities in foreign currencies are translated into Norske kroner at the exchange rate at the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as financial income and expenses.



Pipetech International AS
Notes to the financial statements
Year ended 31 December 2020

2) Reserves	Share Capital	Share Premium	Other Equity	Total
At 1 January 2020	2,600,878	1,987,078	3,771,248	8,359,205
Profit for the financial year	-	-	(5,353,956)	(5,353,956)
Group contribution	-	-	4,382,827	4,382,827
At 31 December 2020	2,600,878	1,987,078	2,800,119	7,388,075

3) Fixed assets	Research and Development	Machines and equipment	Furniture and fittings	Total Fixed Assets
Cost or valuation				
Purchase cost 1 January	5,542,968	30,669,662	442,525	36,655,155
Additions	38,783	574,135	-	612,918
Disposals	-	-	-	-
Purchase cost 31 December	5,581,751	31,243,797	442,525	37,268,072
Accumulated depreciation	(5,441,494)	(27,362,457)	(442,524)	(33,246,475)
At 31 December 2020	140,257	3,881,340	0	4,021,597
At 31 December 2019	147,372	5,780,385	7,194	5,934,952
Depreciation for the year	(45,899)	(2,473,180)	(7,194)	(2,526,273)
Estimated useful life	5 years	5 - 7 years	3 - 10 years	
Depreciation plan	Straight line	Straight line	Straight line	

4) Investment	Date of acquisition	Registered office	Voting shares	Ownership
Company				
Pipetech Well Solution AS	15/06/2012	Stavanger	100%	100%
			Equity according to the latest accounts	Profit of the year according to the latest accounts
Company				
Pipetech Well Solution AS			(159,758)	-

Transactions with and between subsidiaries

In 2020 there have been no purchase or sales transactions between Pipetech International AS and Pipetech Well Solution AS.



Pipetech International AS
Notes to the financial statements
Year ended 31 December 2020

5) Intercompany balances with group companies	2020	2019
Receivables from group companies		
Pipetech Operations Limited - fellow group company	-	-
Pipetech Well Solutions AS - fellow group company	159,760	159,560
Ramco Acquisition Limited - fellow group company	3,342,345	3,316,500
Ramco Norway AS - fellow group company	15,663,060	10,779,051
	<u>19,165,164</u>	<u>14,255,111</u>
Liability to group companies		
Pipetech Operations Limited - fellow group company	261,713	139,410
Ramco Tubular Services - fellow group company	8,433,786	5,461,548
Pipetech Holdings Norway AS	9,145,275	9,145,275
Pipetech Acquisition Limited - parent company	-	-
	<u>17,840,774</u>	<u>14,746,232</u>

The intercompany balance has been charged with a 1.7% rate of interest.

The company is part of a group account agreement together with other group companies. The purpose of the arrangement is to allow the free flow of funds between companies belonging to the group in order to pool surplus cash within the group.

The company has issued guarantees in respect of all advances and obligations for which group companies may now or in the future be liable to Clydesdale Bank plc. The total Group borrowings as at 31 December 2020 were £46,518,000 (2019: £41,039,000).

6) Receivables and liabilities	2020	2019
Receivables with maturity later than one year	-	-
Long term liabilities with maturity later than one year	-	-
Interest is charged at an average interest rate of 3.7%		
7) Restricted bank deposits	2020	2019
Restricted bank deposits		
Withheld employee taxes	<u>577,095</u>	<u>1,276,842</u>
Overdraft facilities granted		
Unused bank overdraft	<u>-</u>	<u>-</u>

8) Share capital and shareholder information

The company's shareholder at 31 December 2019 was:

Shareholder	Number of shares	Total par value	Ownership (%)
Pipetech Holdings Norway AS	<u>26,008,782</u>	<u>0.1</u>	<u>100</u>

The company has one class of shares. No shares are owned by the managing director or members of the board.

The company's shareholder is represented in the board by the Chairman of the Board and Board member Stephen Dempster.

The company's ultimate parent company is Ramco Acquisition Limited. Copies of the ultimate parent company financial statements can be obtained from Companies House, 139 Fountainbridge, Edinburgh.

On 26 February 2018, Ramco Pipetech Limited established Pipetech Holdings Norway AS, a company incorporated in Norway as a 100% subsidiary. On 26 April 2018 Pipetech Holdings Norway AS acquired the entire share capital of Pipetech International AS from Pipetech Acquisition Limited.



Pipetech International AS
Notes to the financial statements
Year ended 31 December 2020

9) Income taxes

Calculation of deferred tax	2020	2019	Change
Net temporary differences	(1,274,899)	(31,144)	(1,243,755)
Tax losses carry forward	-	-	-
Basis for deferred tax in the balance sheet	<u>(1,274,899)</u>	<u>(31,144)</u>	<u>(1,243,755)</u>
22%/23% deferred tax	(280,478)	(6,852)	(273,626)
Temporary difference attributed to change in tax rate	-	-	-
Recognised deferred tax	<u>(280,478)</u>	<u>(6,852)</u>	<u>(273,626)</u>
Basis for payable taxes	2020	2019	
Profit before income tax	(6,863,764)	8,226,143	
Permanent differences	1,000	-	
Basis for the tax expense of the year	<u>(6,862,764)</u>	<u>8,226,143</u>	
Changes in temporary differences	1,243,755	1,162,074	
Taxable income before group contribution	<u>(5,619,009)</u>	<u>9,388,217</u>	
Group contribution	5,619,009	(9,388,217)	
Taxable income (basis for payable taxes in the balance sheet)	-	-	
Taxes payable (23%/24% of the basis for tax payable liability)	-	-	
Tax effect of group contribution	<u>(1,236,182)</u>	<u>2,159,290</u>	
Total taxes payable	<u>(1,236,182)</u>	<u>2,159,290</u>	
Change in deferred tax	(273,626)	(276,156)	
Adjustment in respect of prior years	-	-	
Tax expense	<u>(1,509,808)</u>	<u>1,883,134</u>	
Payable taxes in the balance sheet			
Payable tax in the tax charge	-	-	
SkatteFUNN Refund	-	-	
Other	-	-	
Payable tax in the balance sheet	<u>-</u>	<u>-</u>	

10) Payroll expenses, number of employees, remunerations, loans to employees, etc

	2020	2019
Payroll expenses		
Aggregate remuneration comprised:		
Wages and salaries	8,393,499	9,811,940
Social security costs	1,190,056	1,328,507
Other pension costs	373,990	278,118
Total	<u>9,957,546</u>	<u>11,418,565</u>
Average number of employees	9	11

The company is obliged to have a pension scheme according to "Lov om obligatorisk tjenestepensjon" and the company has a pension scheme which fulfils the requirements. The entity's contribution scheme is organised in pursuance of the law concerning a defined contribution scheme. A total of 10 people are covered by the scheme.

Remuneration to executives	General Manager	The Board
Salaries	1,067,252	-
Pension	-	-
Other remuneration	158,279	-
	<u>1,225,531</u>	-

No loans/securities have been granted to the general manager, Chairman of the Board or other related parties.

	2020	2019
Expensed audit fee		
Statutory audit	105,000	104,000
Other assurance services	-	-
Tax advisory fee	47,000	90,400
Other assistance	-	-
Total audit fees (excl. VAT)	<u>152,000</u>	<u>194,400</u>



Pipetech International AS
Notes to the financial statements
Year ended 31 December 2020

11) Specification of financial income and expenses

	2020	2019
Financial income		
Interest income from group entities	(3,232)	(1,826)
Other interest income	375	983
Currency exchange gains	-	-
Total	<u>(2,856)</u>	<u>(843)</u>
Financial expense		
Other interest expense	119,344	109,967
Currency exchange losses	(8,776)	3,442
Other financial expenses	47,401	78,774
Total	<u>157,969</u>	<u>192,183</u>

Foreign exchange gains and losses are due to transactions related to the ordinary operating cycle.

12) Inventories

	2020	2019
Raw materials and consumables	<u>2,450,638</u>	<u>1,906,140</u>
Inventory valued at purchase costs	2,450,638	1,906,140
Inventory valued at net realisable value	-	-
Total	<u>2,450,638</u>	<u>1,906,140</u>

13) Accounts receivable

	2020	2019
Trade debtors	1,714,455	92,716
Bad debt provision	-	-
Trade debtors in the balance sheet	<u>1,714,455</u>	<u>92,716</u>
Uninvoiced revenue	1,200,010	278,584
Other receivables	749,617	3,105,892
	<u>1,949,627</u>	<u>3,384,476</u>

14) Related party transactions

Remuneration to executives is disclosed in note 9, and balances with group companies are disclosed in note 5.

	2020	2019
Sales of goods and services		
Sale of services:		
- Pipetech Operations Limited - fellow group company	738,234	-
Total	<u>738,234</u>	<u>-</u>
Purchases of goods and services		
Purchase of services:		
- Pipetech Operations Limited - fellow group company	48,342	1,151,373
- RAMCO Tubular Services Limited - fellow group company	2,620,076	2,357,261
Total	<u>2,668,418</u>	<u>3,508,634</u>
Group contribution		
Group contribution provided:		
- RAMCO Norway AS - fellow group company	5,691,983	7,133,319
Total	<u>5,691,983</u>	<u>7,133,319</u>